

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

MESA AIR GROUP, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 10- 10018 (MG)

(Jointly Administered)

**INTERIM ORDER AUTHORIZING DEBTORS TO
(I) ABANDON CERTAIN AIRCRAFT, ENGINES, AND OTHER
RELATED EQUIPMENT, (II) TRANSFER TITLE TO CERTAIN AIRCRAFT,
ENGINES, AND OTHER RELATED EQUIPMENT, AND (III) SATISFY THE
SURRENDER AND RETURN REQUIREMENTS UNDER THE BANKRUPTCY CODE**

Upon the motion, dated January 5, 2010 (the “Motion”),² of Mesa Air Group, Inc. and its affiliated debtors and debtors in possession (the “Debtors”) for authorization and approval, pursuant to sections 105(a), 363(b), 554(a), and 1110 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 6003, 6004, and 6007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (A) to (i) abandon certain aircraft and other related equipment identified on the scheduled annexed hereto as Exhibit A (the “Excess Owned Equipment”), (ii) transfer title to such abandoned Excess Owned Equipment to mortgagees, security trustees, or indenture trustees having security interests in such Excess Owned Equipment (the “Secured Parties”), and (iii) surrender and return the Excess Owned Equipment, and (B) of the form of notice annexed to the Motion as Exhibit B, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to

¹ The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group Airline Inventory Management, LLC (2015); Nilchi, Inc. (5531); and Patar, Inc. (1653).

² Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and notice of the Motion having been provided and that no other or further notice is necessary; and the Court having found and determined that the relief sought in the Motion to the extent provided herein is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that, to the extent applicable, such relief is necessary to avoid immediate and irreparable harm as contemplated by Bankruptcy Rule 6003(b), and that the legal and factual bases set forth in the Motion and the Declaration of Michael J. Lotz in Support of First Day Motions establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted on an interim basis to the extent provided herein; and it is further

ORDERED that, if no Objection is filed, abandonment of the Excess Owned Equipment is authorized and approved pursuant to section 554(a) of the Bankruptcy Code on the Effective Date (as defined below); *provided, however*, if any affected Secured Party or party in interest wishes to object to the abandonment of the Excess Owned Equipment, such party must file and serve such Objection in accordance with the terms set forth below; and it is further

ORDERED that the effective date of any abandonment of the Excess Owned Equipment listed in Exhibit A annexed hereto shall be the earliest of: (i) the date of the filing of the Motion, unless an Objection is filed, (ii) the date determined by the Court in a subsequent Order if an Objection is filed, or (iii) the date that the Debtors and the applicable Secured Party have

established by agreement regarding the return of the Excess Owned Equipment, (either (i), (ii) or (iii) as applicable, the “Effective Date”); and it is further

ORDERED that, if no Objection is filed, pursuant to sections 363(b) and 1110 of the Bankruptcy Code, the Debtors are authorized to transfer title, if necessary, of the Excess Owned Equipment to the appropriate Secured Party that is subject to this Order on the Effective Date; and it is further

ORDERED that as soon as reasonably practicable after entry of this Order, the Debtors shall serve, in lieu of the notice attached to the Motion as Exhibit B, a copy of this Order and the Motion on (i) the Office of the United States Trustee for the Southern District of New York, (ii) those creditors holding the largest thirty (30) unsecured claims against the Debtors’ estates (on a consolidated basis), (iii) those creditors or their agents holding the five (5) largest secured claims against the Debtors’ estates, (iv) the Internal Revenue Service, (v) the Securities and Exchange Commission, (vi) the Secured Parties or their respective agents, and (vii) all parties who have requested notice in these chapter 11 cases; and it is further

ORDERED that any Objection to the relief requested in the Motion on a final basis must be filed with the Court and served on the following parties so that it is actually received no later than January 19, 2010 at 4:00 pm, unless extended by the Debtors: (i) United States Bankruptcy Court of the Southern District of New York, One Bowling Green, New York, New York 10004, (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, (iii) Pachulski Stang Ziehl & Jones LLP, 150 California Street, 15th Floor, San Francisco, California 94111 (Attn: Debra I. Grassgreen and Joshua M. Fried), Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 36th Floor, New York, New York 10017 (Attn: Maria A. Bove), attorneys for the Debtors, (iv) Mesa Air Group, Inc.,

Law Department 410 N. 44th St. Suite 700, Phoenix, Arizona 85008, (Attn: Brian S. Gillman, Esq.), (v) those creditors holding the largest thirty (30) unsecured claims against the Debtors' estates (on a consolidated basis) unless a statutory committee of unsecured creditors has been appointed in these cases, in which case then counsel to such committee, (vi) those creditors holding the five (5) largest secured claims against the Debtors' estates or their agents, and (vii) the Secured Parties or their agents; and it is further

ORDERED that on January 26, 2010 at 10:00 am the Court will hold a hearing to consider any Objections that are timely filed and received in accordance with the terms of this Order and solely with respect to the abandonment of the Excess Owned Equipment that is the subject of the Objections to the Motion; and it is further

ORDERED that the relief granted herein is interim and shall have no preclusive effect upon any party that files and serves a timely Objection to the Motion in accordance with the terms of this Order, including, without limitation, the determination of the Effective Date, any surrender and return conditions under the Bankruptcy Code, and/or any rights or obligations under section 1110 of the Bankruptcy Code; and it is further

ORDERED that nothing in this Order shall preclude the Debtors from arguing that the Effective Date is a date prior to the final hearing on the Motion or any party in interest from contesting such assertion; and it is further

ORDERED that if no Objections are filed and timely served in accordance with the terms of this Order, this Order shall be final as of the Effective Date solely with respect to the Excess Owned Equipment that is not subject any Objections; and it is further

ORDERED that any claims arising from the abandonment of property provided for herein shall be filed in accordance with any order pursuant to Bankruptcy Rule 3003(c) establishing a

deadline by which prepetition general unsecured claims must be filed (the “Bar Date”), on or before the later of (i) the Bar Date or (ii) thirty (30) days after the Effective Date of the abandonment of the Excess Owned Equipment, and that any claim not filed in accordance with the foregoing deadlines shall be barred and shall not be entitled to share in any distributions from the Debtors’ estates as approved by the Court; and it is further

ORDERED that, if no Objection is filed, the Debtors shall surrender and return records and documents relating to the applicable Secured Parties of the items of Excess Owned Equipment in accordance with section 1110 of the Bankruptcy Code on the Effective Date; and it is further

ORDERED that if a Secured Party fails to take control and/or take possession of the applicable Excess Owned Equipment that has been abandoned in accordance with section 1110 of the Bankruptcy Code and by this Order ten (10) calendar days after the Effective Date or, if an Objection is filed, on the date determined by the Court in a subsequent Order, such Secured Party shall be responsible to the Debtors for costs and expenses arising from the storage and maintenance of such equipment; and it is further

ORDERED that if the Secured Party, in accordance with the preceding paragraph, fails to remove the Excess Owned Equipment or make the necessary arrangements to move, store, and/or maintain such equipment, the Debtors may file a motion to compel such action and the payment for the costs and expenses on account of such actions, including legal fees and expenses; and it is further

ORDERED that the abandonment of any Excess Owned Equipment and the Debtors’ surrender and return thereof are without prejudice to the rights, if any, of (i) a Secured Party to assert damages as part of any unsecured deficiency claim, if any, (ii) a Secured Party to assert

damages for the Debtors' alleged failure to satisfy all non-section 1110 contractual return or turnover provisions of the applicable security agreement, or (iii) the Debtors or any other party in interest to object to any such claims or their asserted priority; and it is further

ORDERED that upon written request from an affected Secured Party, the Debtors shall cooperate with such Secured Party to the extent that is reasonably practicable with respect to the execution of or provision of information required for a bill of sale or quitclaim deed, as appropriate, to be filed with the Federal Aviation Administration (the "FAA") in connection with such Excess Owned Equipment; *provided, however*, that the affected Secured Party shall be solely responsible for all costs associated with such documentation and the filing thereof with the FAA; and it is further

ORDERED that the Debtors are hereby authorized to execute and deliver all instruments and documents and take any additional actions as may be necessary or appropriate to implement and effectuate the relief granted herein; and it is further

ORDERED that, to the extent applicable, the requirements of Bankruptcy Rule 6003(b) have been satisfied; and it is further

ORDERED that notwithstanding Bankruptcy 6004(h), this Order shall be effective immediately upon its entry; and it is further

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a), 6004, 6007, and 9014 by providing the affected parties and parties in interest with notice of the Motion and an opportunity to object and be heard at a hearing; and it is further

ORDERED that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: January 19, 2010
New York, New York

/s/Martin Glenn
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

(Excess Owned Equipment To Be Abandoned)

Excess Owned Equipment To Be Abandoned

Secured Party / Address	Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Location
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-126	N126YV	LH:114163/114252; RH:114248/114158	Airframe Location: ("ICT") Wichita Airport Authority; 2010 Airport Rd.; Wichita, KS 67209; Dennis Simmons, Director of Customer Service & Facilities; Tel: 316-943-3246; Fax: 316-945-9291
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-127	N127YV	LH:PS0028/114273; RH:114404/PS0022	Airframe Location: ("ICT") Wichita Airport Authority; 2010 Airport Rd.; Wichita, KS 67209; Dennis Simmons, Director of Customer Service & Facilities; Tel: 316-943-3246; Fax: 316-945-9291
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-133	N133YV	LH:114221/114261; RH:114222/114066	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-135	N135YV	LH:114004/114007; RH:114007/114229	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-138	N138YV	LH:114182/114023; RH:114242/114287	Airframe Location: ("ICT") Wichita Airport Authority; 2010 Airport Rd.; Wichita, KS 67209; Dennis Simmons, Director of Customer Service & Facilities; Tel: 316-943-3246; Fax: 316-945-9291
Raytheon Aircraft Credit Corporation	Mesa Air Group, Inc.	Beech Model: 1900D	UE-142	N142ZV	LH:114348/114019; RH:114347/PS0020	Airframe Location: ("ICT") Wichita Airport Authority;

Secured Party / Address	Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Location
PO Box 85 Wichita, KS 67201						2010 Airport Rd.; Wichita, KS 67209; Dennis Simmons, Director of Customer Service & Facilities; Tel: 316-943-3246; Fax: 316-945-9291
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-143	N143YV	LH: n/a RH: n/a	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-146	N146ZV	LH:114315/114032; RH:114065/114370	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-155	N155ZV	LH: n/a RH: n/a	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-159	N159YV	LH:PS0038/114134; RH:114202/114145	Airframe Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-161	N161YV	LH:PS0052/114219; RH:114124/114317	Airframe Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation	Mesa Air Group, Inc.	Beech Model: 1900D	UE-162	N162ZV	LH:114075/114194; RH:114141/114278	Airframe Location: Salina Airport; 3237 Arnold Ave.;

Secured Party / Address	Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Location
PO Box 85 Wichita, KS 67201						Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-163	N163YV	LH: n/a RH:114178/114299	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-166	N166YV	LH:114026/114180; RH:114389/114182	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-167	N167YV	LH:PS0022/114037; RH:114367/114382	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-174	N174YV	LH:114047/114005; RH:114260/114015	Airframe Location: Salina Airport; 3237 Arnold Ave.; Salina, KS 67401; Shelli R. Swanson, Manager of Administration and Finance
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-176	N176YV	LH:114482/114020; RH:114219/114361	Airframe Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Air Group, Inc.	Beech Model: 1900D	UE-229	N10675	LH:114024/PS0086; RH:114058/114031	Airframe Location: ("ICT") Wichita Airport Authority; 2010 Airport Rd.; Wichita, KS 67209; Dennis Simmons, Director of Customer Service & Facilities; Tel: 316-943-

Secured Party / Address	Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Location
						3246; Fax: 316-945-9291
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.	Beech Model: 1900D	UE-242	N242YV	LH:114022/114112; RH:114479/114368	Airframe Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.	Beech Model: 1900D	UE-244	N244YV	LH:114252/114473; RH:114340/114390	Airframe Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.				114167 / PS0052	Engine Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.				PS0034 / 114322	Engine Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.				114368 / 114389	Engine Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316-522-2010; Direct: 316-522-2021

Secured Party / Address	Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Location
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.				114061 / 114482	Engine Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316- 522-2010; Direct: 316-522- 2021
Raytheon Aircraft Credit Corporation PO Box 85 Wichita, KS 67201	Mesa Airlines, Inc.				114350 / 114331	Engine Location: ("ICT") Signature Flight Support; 1980 Airport Rd.; Wichita, KS 67209; Bryan L. Orr, General Manager; Tel: 316- 522-2010; Direct: 316-522- 2021